

**CITY OF BRIDGEPORT  
BUDGET & APPROPRIATIONS  
REGULAR MEETING  
DECEMBER 14, 2015**

**ATTENDANCE:** Denese Taylor-Moye, Co-Chair; Scott Burns, Co-chair; Aidee Nieves, M. Evette Brantley, AmyMarie Vizzo-Paniccia, Council President Thomas McCarthy, Anthony Paoletto, Jose Casco (6:05 p.m.)

**OTHERS:** Council Member Jeanette Herron, Council Member Mary McBride-Lee, Council Member James Holloway, Council Member Eneida Martinez, Council Member Milta Feliciano, Council Member John Olson, Angel dePara, CAO's Dept. - Special Projects; Kenneth Flatto, Finance Director; John Gomes, Chief Administrative Officer; Thomas Sherwood, Nestor Nkwo, OPM Director; Council Member Jack Banta (6:30 p.m.)

**CALL TO ORDER**

Council Member Taylor-Moye called the meeting to order at 6:00 p.m. A quorum was present.

**APPROVAL OF COMMITTEE MINUTES: October 13, 2015 (Regular Meeting)**

**APPROVAL OF COMMITTEE MINUTES: October 26, 2015 (Special Meeting)**

**\*\* COUNCIL MEMBER VIZZO-PANICCIA MOVED TO APPROVE THE FOLLOWING ITEMS:**

**OCTOBER 13, 2015 (REGULAR MEETING) COMMITTEE MINUTES  
OCTOBER 26, 2015 (SPECIAL MEETING) COMMITTEE MINUTES.**

**\*\* COUNCIL PRESIDENT MCCARTHY SECONDED.**

**\*\* THE MOTION PASSED WITH THREE IN FAVOR: (TAYLOR-MOYE, VIZZO-PANICCIA AND MCCARTHY) AND FOUR ABSTENTIONS (BRANTLEY, BURNS NIEVES AND PAOLETTO).**

**GENERAL DISCUSSION RE: REVIEW OF MONTHLY FINANCIAL REPORT.**

Mr. Gomes came forward and introduced himself and Mr. Flatto. Mr. Gomes said that Mr., Nkwo, the new OPM Director would be arriving shortly. Mr. Gomes said that any questions that the three of them could not answer, they would take to the Mayor.

Council Member Taylor-Moye explained that this was just a general discussion on the budget. She asked if there were any documents that the Committee needed to review. Mr. Gomes said that this was a preliminary meeting to set the path and that the administration would be moving forward cautiously. He said that there was a serious financial situation that could be in the double digit shortfall range. Later on this week, the administration would be meeting with the Mayor to discuss the shortfall with firmer numbers.

Mr. Flatto said that he would like to present some of the information that the staff has found. The October report was issued on the first day that he took office. It was a few days late because of the transition. The figures were compiled before the new administration took office, so they are considered to be preliminary. These figures appear to present a significant financial challenge. Mr. Gomes reiterated that they were proceeding very cautiously and said that the Mayor was willing to work very transparently with the Committee. However, he repeated that the department would have more accurate figures later in the week.

*Mr. Nkwo joined the meeting at 6:03 p.m.*

Council Member Brantley asked Mr. Gomes if the Finance Department would be presenting any documentation at the meeting. Mr. Gomes said that they did not have solid figures yet, but would be giving some general information on the financial status of the City.

*Council Member Casco joined the meeting at 6:05 p.m.*

Council Member Taylor-Moye then recognized the following Council Members as being present in the meeting: Council Member Jeanette Herron, Council Member Eneida Martinez Council Member Mary McBride-Lee, Council Member James Holloway, Council Member John Olson; and Council Member Milta Feliciano.

Mr. Gomes said that the October reports indicate that the overtime accounts may create overages and that the savings from the vacant positions may help counter those overages.

On the expense side, Mr. Flatto directed everyone's attention to the recent contracts and said that to the best of his knowledge, there were a number of union salary increases that totaled just over 2 million dollars and there was no reserve funding set aside for this. There is a contingency fund of 1.5 million, but those funds may be needed elsewhere. Mr. Flatto was asked if the checks had already been issued and he said they had been.

Mr. Flatto also spoke about the Pension Plans A&B contributions that were transferred to the State pension system. The Budget that was assembled for those contributions include employer contributions and employee contributions. The amortization payment was required this year for the first time. Mr. Flatto gave an overview of this service time payment agreement for employees who were hired 2010, 2011 or 2012. He said that the first payment was made in September and the new staff cannot identify which line the payment was entered on. A question was asked about the amount that was paid. Mr. Flatto said the Fire budget payment was also made and that line item has been identified.

Council Member Holloway asked about the Supervisor's increase and wanted to know why Mr. Flatto had not included LIUNA. Mr. Flatto said that he thought he had included LIUNA but may not have said it loudly enough. Council Member Holloway said that there would be another contract coming up. Mr. Flatto thanked Council Member Holloway and said that he was just reporting the amount that had already been paid out.

Mr. Flatto said that there were a number of expense items that were still being identified. Mr. Flatto and Mr. Nkwo were reviewing the department budgets line by line.

Mr. Nkwo came forward and said that he was going to present an overview of the revenue. He said that the arrears taxes had increased slightly. These numbers need to be verified. Mr. Nkwo also said that there may be a duplicate entry on the funds received from the State. Finally, the City has not received rent payments from the Blue Fish, The Arena and Captain's Cove.

Council Member Casco asked about the back rent for the Blue Fish, the Arena and Captain's Cove. Mr. Nkwo reviewed the details of the current rental agreements. Council Member Casco asked about how much rent was not paid. Mr. Nkwo said that they had not paid anything for this calendar year. Mr. Gomes said that the administration was looking into why the City spent a major amount of Capital dollars on golf carts.

Council Member Brantley said that she had been told that the Supervisor's contract had been tabled and later vetoed by the Mayor. She asked for an explanation and wished to know if this was legal. Mr. Nkwo said that he was not a lawyer but it was his understanding that if the contract was not approved within 60 days, the contract becomes valid by default. He said that this would have to be confirmed by a City attorney. Council Member Brantley asked if there was anyone present who could answer that question. No one came forward.

Council Member Taylor-Moye said that she was listening carefully to what Mr. Gomes and the staff was presenting. She said that she was expecting documentation on these issues. Council Member Taylor-Moye asked if Mr. Gomes and Mr. Flatto would be meeting with the Budget and Appropriations Co-chairs regarding these items. Mr. Gomes said that the Mayor would be addressing this with the Co-chairs and then, based on their recommendations, presenting it to the Council Members.

Council Member Brantley said that she would like to have an explanation of the legality of the union contract. Mr. Nkwo said that he thought that if contract was not acted upon within a set time frame, which he said could be 30 or 60 days, since it was approved by the union, it becomes a valid contract. He said that he was not a lawyer but believed that the contract became valid by default. Mr. Gomes said that the new administration had been told by the City Attorney's Office that it was binding. He also cautioned everyone that they were not attorneys and the Committee would need to verify this with the City Attorney's Office.

Council Member McBride-Lee said that she would like to know why Harbor Yard and the Blue Fish were not paying their taxes. She asked if the Finance department would be making a presentation. Mr. Gomes said that they will be sending the information when they understand the situation and have verified the amounts. He said that the Mayor was about transparency and would be sending all information to the Council Members.

Council President McCarthy suggested that there be a future meeting with an Executive Summary with line items presented to the Budget & Appropriations Committee.

Council President McCarthy said that he would like to know how much State Aid may have been double booked. Mr. Nkwo said that he believed the amount was \$890,000. Council President

McCarthy asked what State grant the funding was from. Mr. Nkwo said that it was the Manufacturer's grant, which was discontinued, and then moved into a grant for Out of Town Aid.

Council Member Burns asked about the status for the re-evaluation. Mr. Flatto said the department had a series of meetings with the Assessor's Office and the firm that was employed to do the re-evaluation. He expected the administration to issue a timeline for the public. The Mayor was working on creating a Tax Advisory Committee of experienced individuals to help vet the process and help the public understand the process. Mr. Flatto expected that the general public would be receiving information on this in the coming weeks. When asked if the administration would seek a delay, Mr. Gomes said that the administration was exploring every option. Mr. Flatto added that when the extension was granted two years ago, there were at least 30 municipalities that were affected. Now the property evaluations are 8 years old and there are a number of good reasons to update the evaluations

Council Member McBride-Lee said that she was very concerned about the people who owe large amounts of back taxes. Mr. Gomes said that discussions have already begun working on this with the Collections Department. Mr. Flatto said that they may be trying to accelerate the process given the financial situation.

Council Member Brantley asked about the Tax Advisory Committee and wanted to know who would be on that Committee. Mr. Flatto said that it would strictly be a Mayoral advisory committee. Council Member Brantley asked when this Committee would start. Mr. Flatto said that he had been asked to prepare an announcement for later in the week.

Council Member Salter asked about some of the items on the expense side that might be problematic. Mr. Flatto said that they would be looking at the pay outs for those who retired. There were also some non-personnel items, such as items that would be affected by the winter weather. He said there was also a flurry of transfers from the Capital Account in the last two months and the department is still working on understanding what these were. Mr. Flatto said that he wished they could provide a complete picture for the Committee.

Council Member Martinez asked what the status was in terms of cash flow. Mr. Flatto said that there had been a TAN issued and the funds were now in the accounts. He spoke about the 30 day payment window and how that it affects the payment and cash flow process.

Council Member Burns said that there had been some land evaluation process. Mr. Flatto said that he had just heard about this. Council Member Burns asked if they would have to ask the State for another year to explore the concept. Mr. Gomes said that they hoped to have some information for the Committee. Mr. Nkwo said that the administration was only 14 days old and the focus has been on dissecting the budget and quantifying the numbers.

Council Member Taylor-Moye said there had been many discussions regarding transparency. She said that she wanted to make sure that the Committee Members had the documentation before the Committee Members arrived at the meetings.

Council Member Burns said that there have been many rumors floating around. He asked when the group would have an idea of the figures. Mr. Gomes said that he expected to have a better picture by the end of the week and then the dialog could begin.

Council Member Taylor-Moye said that there were other Council Members that would like to be present at the meeting when they go through the figures. Council President McCarthy cautioned everyone about having a quorum, which requires FOI notification.

### **ADJOURNMENT**

**\*\* COUNCIL MEMBER BRANTLEY MOVED TO ADJOURN.**

**\*\* COUNCIL MEMBER PAOLETTO SECONDED.**

**\*\* THE MOTION PASSED UNANIMOUSLY.**

The meeting adjourned at 6:45 p.m.

Respectfully submitted,

S. L. Soltes

Telesco Secretarial Services